BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

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Retail Access Optimization Initiative   Docket No. N2011-1
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Rebuttal Testimony of

Curt Artery

On Behalf of

The National Association of Postmasters of the United States

NAPUS-T-2

My name is Curt Artery and I am a national vice president of the 38,000-member National Association of Postmasters of the United States (NAPUS). Although I am also an active Postmaster with 35 years of service to the United States Postal Service, my testimony should not be misconstrued as to represent the position of the Postal Service.

Nevertheless, the Postal Service recognizes my expertise in postal operations, having used this skill as a trainer in the following areas and positions: Sarbanes-Oxley Compliance, WebBats (computerized post office box tracking), Sales and Service Associate, new Postmasters, rate changes, enterprise data warehouse (EDW), and integrated retail terminal (IRT) deployment. Consequently, I have broad, hands-on experience in small post office operations, and, more importantly, I have been entrusted by the Postal Service to share my experience and expertise with veteran and new Postmasters.

I am offering my views and the views of NAPUS with regard to the use of the small office variance (SOV) tool as the basis for identifying post offices for closure within the context of the Postal Service's Retail Access Optimization Initiative. Inasmuch as the Postal Service has determined that one of the two required traits the 2,800 post offices allegedly share is two hours, or less, of earned work credit, the tool used to calculate work hours must be valid and credible. If problems exist with the methodology employed to determine the work credit, then the conclusions reached about an undetermined number of small and rural post offices should be called into question, if not invalidated.

In sum, while I believe that SOV is a useful tool when properly implemented, this is not the case with regard to the retail access optimization initiative. SOV misses work credit, meaning that small town and rural post offices with more than two hours of work credit will be considered for discontinuance as part of the USPS initiative, contrary to the Postal Service's request for this advisory opinion.

One of the concerns I have with regard to the SOV is that the system is not periodically updated to integrate new data, and, therefore, is not current or accurate. These deficiencies include scanning Express Mail, Priority, parcel, parcel select, parcel return, parcel tracking, cancelling, and premium forwarding. In fact, the Postal Service has programs to maintain dates, times and accuracy of scanning in post offices, but does not use them for many small post offices. This data is logged daily and can be accessed through such web-based modules as EDW, the Window Operation Survey (WOS) Reports, facility data base (FDB), and Function 4 audits.

The Postal Service fails to use these tools to measure actual workload; rather, the Postal Service uses a much coarser and inaccurate tool: the SOV. SOV fails to consistently illustrate workload data in the Delivery Administration Earned Work Hours Report of SOV. Thus, results for individual post offices may very well understate the actual work performed. Consequently, post offices identified as earning fewer than two hours of work credit should actually be credited with more hours, and, as a result, should be removed from the list of 2,800 post offices that are candidates for discontinuance.

The Postal Service does not use the technology it has; new scanning technology is not being input into the SOV program. The Postal Service has available new scanning automation that will assist us in recording data daily. There have also been new products implemented that generate revenue for the Postal Service; we can track these products daily, and post offices do. Post offices are required to perform two scans of bar codes as proof the post office is providing our customers with accurate and timely data. SOV is not showing or accounting for these multiple scans; rather, the SOV is simply providing a generalized snapshot, not actual figures. There is no reason why the actual workload of these new responsibilities should not be aggregated and used. Once again, as a result, the Postal Service is undercounting small post office workload.

SOV also does not capture workload needed to validate "Financial Form 1412," with regard to Sarbanes-Oxley Act (SOX) compliance. Under SOX, non-automated offices are required to provide handwritten documentation and verification of day-to-day transactions. This data is shown on PS Form 1412. This document is submitted daily to a web-based program, referred to as "e-moves." The amount of time given under SOV does not reflect the actual time needed to perform this task. In sum, post offices are not receiving credit for required functions. These include web-based programs, 1412 validation, cancelling mail, scanning, function 4 audits, and caller service.

Finally, SOV time standards are inconsistent with post offices operating within a point-of-service (POS) terminal environment. The Postal Service uses many automated retail outlets that allow us to track earned workhours. This system for retail service is called

POS. POS offices can track actual time used in completing retail transactions. SOV offices do not have this capability, so they are mandated to follow a one-size-fits-all benchmark. As a result, SOV does not provide an accurate depiction of the workload within a post office. Although new Postal Service programs have the capability to account for current post office activity – both financial and non-financial – the SOV does not.

Therefore, I urge the commission to advise the Postal Service to use a more accurate and current method when evaluating a post office for discontinuance.